revise the list which he has obtained from the Tea Board.

SHRI P.CHIDAMBARAM: Sir, since the hon. Member presses his point vehemently and I have great respect for the hon. Member, I will ask the Tea Board to verify the number once again.

SHRI P.C. CHACKO: Sr, there are more than four thousand tea estates in Kerala, second only to Tamil Nadu. Out of these four thousand and odd tea estates, more than one thousand tea estates are either closed or are on the verge of closure. That is not reflected in the status paper prepared by the Tea Board on the basis of which the hon. Minister has answered the question here. I may mention that especially after the price hike of the fertilisers, it has become uneconomical. Will the Government take up the matter with the nationalised banks and other financial institutions to give top priority treatment for the revival proposal of the tea estate? A very low priority is accorded to the revival proposal of tea estates. Also, will the Government consider to direct the Tea Board to introduce re-plantation scheme on the same basis as that of Rubber Board for the re-plantation of the old tea estates?

SHRI P. CHIDAMBARAM: Sir, the hon. Member is presenting a rather alarming picture in Kerala. According to our figures, there are only 11 tea estates which are registered as weak or sick. The total number of tea estates in Kerala is 4,087. They are very small estates. I attended the meeting of United Planters' Association of South India three days ago. I met a large number of growers from Kerala and their mood is upbeat. This year the south Indian tea production is expected to be 8 per cent higher than last year. I do not share the pessimism of the hon. Member. If there is any particular problem I am willing to discuss with him. If any particular estate is requiring rehabilitation, I am willing to look into that. But the mood in the south Indian tea industry is very upbeat and their production is very high.

SHRI KABINDRA PURKAYASTH: Sir, the tea industry is the biggest foreign exchange earning industry in Assam. Unfortunately this industry is becoming weaker day by day for different reasons. This is evident in the whole of Assam and in particular in the Barak valley. The Assam Tea Corporation has taken over the management of several tea gardens. Unfortunately the A.T.C. managed tea gardens are going down, day by day. One tea garden - Pathini Tea Estate - which is situated just on the Bangladesh border was taken over by the Assam Tea Corporation a few years back. Now the condition of this tea garden is such that it is going to be closed down. There are other tea gardens in Barak valley and other parts of the State which are going to be closed down. May I know from the hon. Minister as to what measures the Government is contemplating to take to help those tea gardens which are weak. Even those gardens which are under the Assam Tea Corporation are also gradually deteriorating. What is the Government proposing to do in such a situation to help the industry?

SHRI P. CHIDAMBARAM: Sir, according to my figures, the Assam Tea Corporation owns 14 tea estates and is managing one tea estate. If some of these are sick, then it is for the Assam Tea Corporation and the Assam Government to look into the reasons for sickness and rehabilitate them. Speaking on behalf of the Government of India and the Tea Board, we are willing to help every tea estate which is sick and which needs a rehabilitation package. We have worked out a rehabilitation package and I am willing to help anyone including the Assam Tea Corporation. but this question must really be addressed to the Government of Assam to take advantage of the rehabilitation programme and spend some money to improve the management and also bring the Assam Tea Corporation to book if there is any problem.

Export of Iron ore to Japan

*820. SHRI SHRAVAN KUMAR PATEL: Will the Minister of COMMERCE be pleased to state:

(a) whether the Union Government propose to scale down the export of iron ore to Japan;

(b) if so, the details thereof and the reasons therefor;

(c) the reaction of Japan thereto; and

(d) the total requirement of iron ore by the sponge and pig iron plants in the country and the availability thereof?

THE MINISTER OF STATE OFTHE MINISTRY OF COMMERCE (SHRI P. CHIDAMBARAM): (a) to (d). A statement is laid on the Table of the House.

STATEMENT

(a) to (c). Exports of iron ore to Japan by MMTC and KIOCL are being effected as per the provisions of the Memorandum of Agreement signed with the Japanese Steel Mills in October, 1990 which provides for a range of the minimum and the Maximum quantities to be supplied for a period of five years commencing April 1991. Actual tonnage and price are to be decided every year. The quantity contracted for export to Japan for the year 1991-92 from different sectors is 12.3 million tonnes. In addition to this quantity, iron ore of Goan and Redi origin will continue to be exported as per the existing arrangements. The commitments in respect of these contracted quantities are expected to be fulfilled.

(d) The total requirement of iron ore for sponge and pig iron plants in the country for 1991-92 is estimated by the Department of Steel to range from 2.396 to 2.796 million tonnes and same is being met indigenously.

SHRI SHRAVAN KUMAR PATEL: Sir, there are reports that the Government feels that the export commitments of iron ore to Japan needs to be scaled down by at least one million tonnes against the commitment of 4.5 million tonnes in view of the mushrooming growth of sponge and pig iron projects in and around Visakhapatnam and Madhya Pradesh. May I know whether it is the Government's policy to give a thrust to develop the steel industry which is in a buoyant place so that the country can export finished steel items rather than iron ore and if so what steps have been taken in this regard and what is the decision of the C.C.P.A. in this regard?

SHRI P. CHIDAMBARAM: Sir, I can hardly disclose any decision of the C.C.P.A. unless and until the Government taken a decision. I think the hon. Member is referring to the Bailadilla ore because he mentioned the figure of 4.5 million tonnes. This is based on annual contract. The contract for the year 1991-92 was entered into on the 7th February, 1991, during the tenure of the previous Government. When the time comes to make the next annual contract, I shall keep every suggestion in mind.

SHRI SHRAVAN KUMAR PATEL: I asked about the policy of the Government, whether the Government has got the intention to manufacture steel instead of exporting iron ore.

SHRI P. CHIDAMBARAM: Sir, we welcome the establishment of more sponge iron and pig iron plants. I believe the Ministry of Steel has already made the policy announcement in this behalf and if any one sets up a sponge iron or a pig iron plant, iron ore will be made available to those plants. We have enough deposits of iron ore and Indian steel makers will not be deprived of iron ore. (*Interruptions*)

[*Translation*]

SHRI SATYNARAYAN JATIYA: Mr. Speaker, Sir, the iron-ore being exported to other countries is five times more than what is required in our own country. It is of great concern that there is a vast difference in the prices of Pallatised iron and steel iron and we will continue ot export this valuable item for five years as per agreement. Through you, Sir, I would like to submit to the hon. Minister that the price of the iron ore we get from export, is very low as compared to the

prices of pollatised iron and steel iron.

MR. SPEAKER: Jatia ji, put your question.

SHRI SATYNARAYAN JATIYA: Mr. Speaker, Sir, through you, I would like to know from the hon. Minister the difference in the prices of iron-ore, palatised iron, steel iron and the steel we import.

[English]

SHRI P. CHIDAMBARAM: Sir, the question is on exports. I will give him the figures which I have. if he really wishes to know the details about iron ore, the question should be addressed to the Steel Ministry. But I will give you the figures which I have.

According to my figures, requirement of iron ore by pig iron plants and sponge iron for 1991-92 is as follows:-

Pig iron	..	0.296 million tonnes
Sponge iron	..	2.484 million tonnes
Total:		2.780 million tonnes

This is the requirement of the total iron ore. In the Bailadila sector the total requirement is 1.30 million tonnes.

SHRI SATYNARAYAN JATIYA: What about the cost? (*Interruptions*)

[Translation]

SHRI AYUB KHAN: Mr. Speaker, Sir, is the hon. Minister aware that tungsten iron is exported to other countries? If so, whether the requirements of our own country are being met; and if it is not adequate to fulfil these requirements the Minister may kindly tell how much it falls short and whether our defence requirements of tungsten iron are being met.

[English]

SHRI P. CHIDAMBARAM: Sir, I have no information about the tungsten iron. I have to collect the information.

SHRI VIJAY NAVAL PATIL: Sir, my information is that Japan is having some future plan. They are dumping coal in the sea so that when the coal deposits are exhausted in the country of origin Japan will be able to utilise the coal so dumped in the sea. Is it a fact that Japan is trying to purchase more steel than currently required by them so as to be used in future ans we are exporting extra quantity of steel? I would like to ask the Minister whether instead of exporting extra steel to Japan he will try to export agricultural products.

SHRI P. CHIDAMBARAM: Sir, the question relates to the export of iron ore. We have a mix of iron ores in this country. Some are of lower quality and some are of higher quality. Now, the question arises really because of Bailadila. In Bailadila what is found is "plus 65 percent FE", whereas the ferrous content is 67 per cent. We have a large amount of other iron ore deposits which have a lower ferrous content of 62 per cent what has been agreed to between the Government and the Japanese is that we will export to them a mix of iron ores. A five year agreement was entered into in October 1990 and the annual contract was made on 7.2.1991 during the tenure of the previous Government. Fortunately, it gives us the flexibility to decide about the quantity and the price every year. As I said, all suggestions made and all relevant considerations will be kept in mind when the time comes to make the next agreement. I do not wish to find fault with anyone for making the agreement in the past. But I want to make it clear that the agreement was signed on 7.2.1991 for the

year 1991-92. I will certainly keep every aspect in mind while we decide about the agreement for the next year.

[*Translation*]

SHRI DAU DAYAL JOSHI: Mr. Speaker, Sir, I would like to know from the hon. Minister whether it is true that iron-ore is exported at cheaper rates and steel is being imported from Japan at higher rates. He may also tell us the price we get from export of Iron ore per tonne and the price, we pay for importing steel per tonne. When India itself is in a position to manufacture steel by what time it will become self-reliant in this regard?

[*English*]

SHRI P. CHIDAMBARAM: Sir, the last point about self-sufficiency of steel should be addressed to the Ministry of Steel. I am sure they will clarify the hon. Member's point. As far as the export of iron ore is concerned, from Bailadila sector, we export at the rate of 25.90 dollars per tonne for lumps. This price, of course, includes the transport cost from Bailadila mines to the port and for the domestic manufacturer, it is sold approximately at Rs.200/- per tonne. These are aspects which must be taken into account while deciding the price. As I said earlier, this agreement for 1991-92 was made on 7.2.1991. I shall keep every aspect in mind including the price, the comparative advantage of export price and the domestic price and the benefit of value addition when we decide about the next year's contract.

DR. (SMT.) K.S. SOUNDARAM: Sir, there is shortage of pig iron supply to Tamil Nadu. So, I would like to know from the hon. Minister whether the Government will take any step for uninterrupted supply of pig iron to Tamil Nadu.

SHRI P. CHIDAMBARAM: Sir, the question of shortage of pig iron to some steel mill in Tamil Nadu should be addressed to the Ministry of Steel and Mines and they will deal with the question. I am dealing only with the export of iron ore.

SHRI K.P. REDDAIAH YADAV: Sir, the Government had entered into an agreement with Japanese firm in October, 1990 and they had entered into another agreement in February, 1991. What is the rate that was contracted in October, 1990 and what is the rate that was contracted in February, 1991 ? I would also like to know whether the Government of India is getting any increase every year when they export iron ore to the Japanese firm. Then, what is the difference between 1990 and 1991 agreements?

SHRI P. CHIDAMBARAM: Sir, in October, 1990 what was entered into was is a five year Memorandum of Agreement, an umbrella agreement. That provides for export of iron ore from the ports of Vishakapatnam, Madras, Paradeep, Kudremukh and New Mangalore and they give a range of quantities to be exported to Japan in fines and lumps. The Annual Contract is the contract which fixes the price and the quantity. That annual contract was entered into on 7.2.1991 only for the year 1991-92. Under that annual contract, as I said earlier, we will be exporting to Japan in 1991-92, 5 million tonnes from Bailadila, 2.50 million tonnes from Bellary-Hospet, 1.70 million tonnes from Barajamda, 9 million tonnes from Goa, 3.15 million tonnes from KIOCL and 0.16 million tonnes from Redi. This is what we will export. But the price as fixed for Bailadila which is the best ore is $ 25.99 per metric tonne for lumps and $ 20.99 per metric tonne for the fines. As far as the next year is concerned, I do not wish to disclose my hand. I want to keep this for the negotiations. It will not be proper, at this stage, to ask me to disclose what price we will negotiate. But I will keep every suggestion in my mind and I will ensure that the best advantage is secured for India within the parameters of the five-year agreement. But let me say India has the absolute liberty to negotiate and fix the quantity and the price. We have not been bound for all the five years. We have entered into an annual contract, on quantity and price.

SHRI CHANDULAL CHANDRAKAR: Sir, the iron-ore of Bastar has got a very high

content of iron. It is one of the rarest in the world. but the price fixed at this moment is extremely very low. Is the hon. Minister thinking of increasing the price as soon as possible? If it is not so, please don't sell it at so low a price so that our own steel plants which are coming up today can made use of it. For example there is the Bhilai Steel Plant. It has got only 4.5 million tonnes of iron-ore now. It is going to touch the 10 million tonnes mark. It has got high content of iron ore. Unless we get high price, will the Minister think of stopping the selling of iron-ore abroad? Rather, it can be consumed and produced in our own country.

SHRI P. CHIDAMBARAM: I am keeping many things in mind. I would appeal to hon. Members not to force me to disclose these things. These are matters to be negotiated. You can rest assured we will secure for India the best advantage keeping in mind the quantity for export and the quantity for domestic consumption.

SHRI CHANDRA JEET YADAV: Sir, fortunately India is one of the few countries in the world which has got one of the largest iron-ore deposits. But it does not mean that our iron-ore should be sold at a throw away price. What we are getting as $ 25 per metric tonne, including the freight rate from the mines to the port, is a throw away price. Is the Minister aware of this fact that as back as 1974-75 a decision was taken that we would not export iron-ore but rather we would like to export iron-pellets, pig-iron and sponge-iron so that we could have much higher and better prices? Will the Minister take up this issue before exporting the iron-ore in such a big quantity? I am told the Japanese are dumping it in the see. because they do not have iron-ore, they will use it for the coming years as they are purchasing it at such a low price.

SHRI P. CHIDAMBARAM: Sir, I am aware of the matters which the hon. Member Shri Chandra Jeet Yadav has expressed. I am aware of a number of other factors also. I can only assure this honourable House that I will ensure that the best advantage is secured for India. I do not wish to criticise what has happened. I am only pointing out that the agreement entered into on 7.2.91 is an annual agreement valid only for 1991-92. We are at liberty to decide to sell or not to sell, the quantity and the price I will keep every suggestion in mind every factor in mind when the time comes for the next negotiation.

[*Translation*]

Pension to Ex-servicemen

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*822. PROF. PREM DHUMAL :
SHRI ANAND RATNA MAURYA :

Will the Minister of DEFENCE be pleased to state :

(a) the number of ex-servicemen in the country, State - wise and the total amount of pension being paid to them;

(b) whether there are ex-servicemen who are not getting any pensions; and

(c) if so, the number of such ex-servicemen, State-wise?

[*English*]

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS AND MINISTER OF STATE IN THE MINISTRY OF DEFENCE (SHRI S. KRISHNA KUMAR): (a) to (c). A statement is laid on the Table of the House.

STATEMENT

Verified figures of the number of ex-Servicemen in the country are not available. The total number of Armed Force pensioners in the country is 11,00,180, as per details in Annex 'A'. The total amount of pension paid to them during 1990-91 was approx Rs.1105 crores.

2. Statistics regarding the number of ex-Servicemen who are not in receipt of pen-